AUGUST 30, 1965

JAPAN'S AGRICULTURE
20 YEARS AFTER V-J DAY

OUR AGRICULTURAL
TRADE: CURRENT PROFILE

REPORT ON SHIPPING
U.S. CALVES BY AIR

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURAL SERVICE

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Contents

These Japanese housewives shopping for U.S. chicken symbolize the rising food demands that Japan's own agriculture cannot satisfy, despite its rapid postwar advance (see story on opposite page).

3 Japan's Agriculture—20 Years After V-J Day

6 How Major U.S. Canned Fruits Have Been Faring on Foreign Markets

6 Olive Oil Producing Countries Working To Stabilize Market

7 Our Agricultural Trade: Current Profile

8-11 Market Development

A report on U.S. Calf Shipments by Air to Europe
First U.S. Sale of Frozen Poultry to Iraq a Success
U.S. Official Outlines Role of Market Promotion and P.L. 480 in U.S. Soybean's Record Sales

12 World Crops and Markets (Commodity index on page 15)

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JAPAN'S AGRICULTURE—20 Years After V-J Day

The postwar period has seen great development in Japan's agriculture, but the shortage of land persists.

BY JOSEPH C. DODSON
U.S. Agricultural Attaché, Tokyo

Japanese agriculture has made striking progress during the 20 years since the end of World War II, but the basic problem of too many farmers sharing the small land area remains virtually the same as 20 years ago. This problem has limited the progress, and it will be a continuing deterrent factor in the foreseeable future.

On the positive side, the overall index of agricultural production (based on the 1934-36 average) has jumped from the low 1940 level of 106 to a 1964 level of 157. Livestock production has shown a phenomenal increase. Rice yields, which many thought had about reached their zenith some 10 years ago, have continued to trend upward. An overwhelming majority of the farmers now own the land they cultivate, as a result of the land reform program. New techniques and management practices have brought greater productive efficiency. Farm income has increased substantially (a large proportion of it now coming from nonfarm sources). Overall living standards have improved.

On the adverse side, the grossly inadequate average size of farm has shown little increase during the past 20 years, remaining at about 2.5 acres. Even with favorable prices for farm products, this puts a painful limit on the farmer's ability to increase his income, which—despite the uptrend in farm earnings—continues to lag behind that of the urban worker. The farm economy is seriously affected by the continuing outflow of farm workers into urban jobs. While this has the favorable aspect of forcing modernization in management practices and greater efficiency to the extent possible, the result has been an increasing reliance on older people to do the farm work, for young farm people find urban employment more attractive.

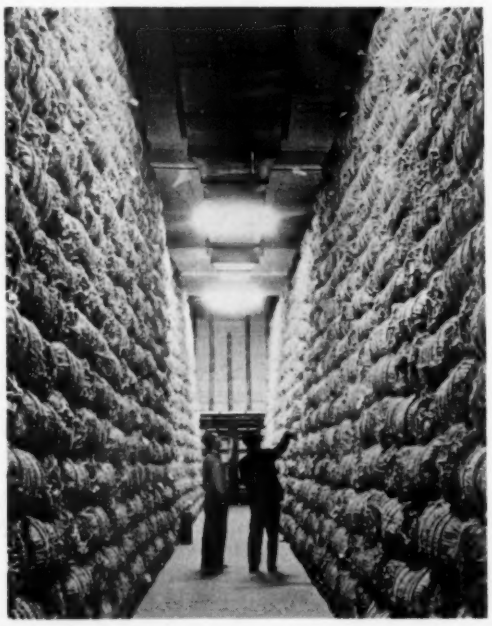
How agriculture stood at the war's end

War damage and the exhaustion of most material resources left Japan's economy in a state of virtual paralysis at the end of hostilities. Farming, however, was in a better position than industry, with its principal resource—land—still intact. Also, the farmers were naturally less affected by the serious national food shortage than were their city cousins.

Even so, farm production—sharply hit by shortages of labor and production materials, including fertilizers and chemicals—dropped to a low index of 60 in 1945 (1933-35 base). As the war drew to a close, Japanese authorities had sharply curtailed the production of materials needed for farm use in favor of the critically required war materials. By 1945, the production of all-important nitrogen fertilizer had dropped to 20 percent of the 1940 level.

After the surrender, Occupation and Japanese Government authorities moved quickly to restore agricultural pro-

Greater merchanization is helping raise Japan's grain yields. Below, left to right: wheat being cultivated by hand tractor; big rice crop awaiting delivery to wholesalers.



ductivity. Production of fertilizers, chemicals, and necessary farm equipment was given priority. The return of the soldiers and the wartime factory workers provided an overabundance of labor. The agricultural production index rose rapidly, reaching almost 100 in 5 years' time (compared with 71 for manufacturing). Agricultural production has continued to increase, though at a more gradual pace and to a far lower level than industry.

Among the many developments or changes that have taken place in Japanese agriculture during the past 20 years, five might be singled out for special mention.

Land reform

Just before the war, in 1940, only 30 percent of Japan's farmers owned all of the land they cultivated, and 46 percent of the land was tenant operated. There had been stirrings of unrest over this land tenure system for quite a number of years before the war, but no major change had been achieved.

One of the early measures of the Occupation authorities, strongly supported by Japanese agricultural administrators, was to institute a reform of land tenure. A tight restriction was placed on the size of individual land holdings. Any land above that ceiling was taken over by the government and distributed to the tenants. The actual transfers were administered by local farmer committees, democratically selected.

The program was largely completed by 1950. Its effectiveness is demonstrated by 1960 data showing that 75 percent of the farmers owned all of the land they cultivate and only 3 percent were wholly tenants. The proportion of land operated under tenancy was down to about 12 percent.

The effect of the land reform on agricultural production is, of course, difficult to measure and has been a moot subject. The fact is that productivity has increased substantially, although many factors enter into this trend. There can be no question, however, that the reform program enabled many of the cultivators to share to a greater extent in the rewards from their labor. The social and political consequences of this program may be as significant as the economic consequences.

Modernization, research, diversification

Farming in Japan is a far cry from what it was 20 years ago. There are many indicators of this. Draft cattle have all but disappeared; almost universally, they have been replaced by small, garden-type tractors which are well suited to Japan's paddy cultivation. Machines have taken the place of hand labor or animal power in numerous other farm activities, including threshing and hulling of grain. Ownership of trucks by farmers is not uncommon.

There has been widespread progress in land consolidation and land adjustment. The first involves exchanges of fields among farmers, so that their holdings will be consolidated into single or fewer tracts, rather than many scattered parcels. The second involves straightening out the borders of the fields to make regular-size plots, more convenient for cultivation.

Japan's excellent agricultural research institutions and its extension service have made major contributions to the technical improvement of agriculture. These contributions have included the development of improved crop varieties, like the cold-resistant varieties of rice that have greatly reduced losses from cold weather. Better pesticide, insecticide, and fertilizer materials and practices have been highly effective in increasing yields. Plastic covers for seed beds

Above, collecting rice seedlings for transplanting. Most rice is still transplanted, not directly seeded. But the hand tractor (right), which most farms now have, greatly speeds the work of preparing the paddies for transplanting after the seedlings are collected.

and for off-season vegetable production have had a major impact by shielding crops against Japan's unpredictable weather.

Helping greatly to reduce reliance on the grain crops, as well as to augment farm income, production of livestock, fruits, and vegetables has shown a remarkable increase in the past 20 years. In 1964, the indexes of production for these three items (with 1950-52 as a base) were 429, 274, and 148, respectively. Development of the livestock industry has been especially successful.

Improvement in the standard of living

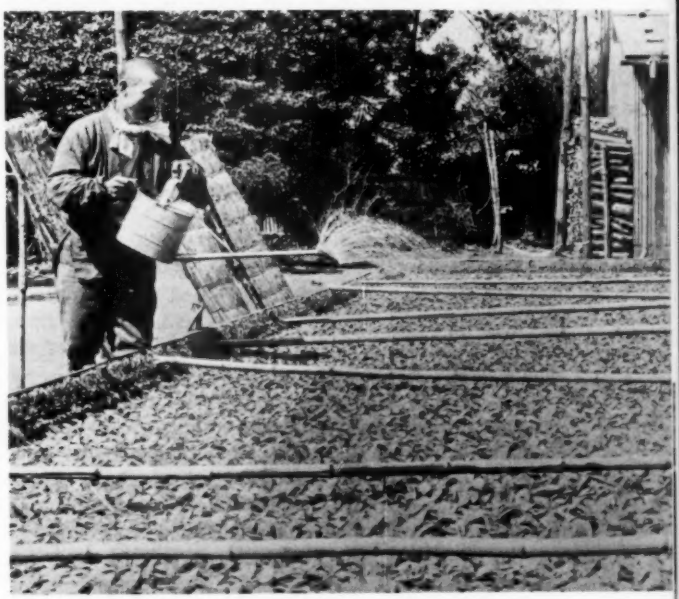
Japan's farmers have made substantial gains in many of the factors which make up the standard of living, although they are still behind the urban workers in this respect. In the realm of "conveniences," 25 percent of the farm households have transistor radios; 85 percent, TV sets; 51 percent, washing machines; and 17 percent, refrigerators.

An important contributor to better living standards on the farm has been the government's rural home improvement program. The home improvement service, which was only begun after the war, has grown to the point where there are now 2,500 home improvement workers. Under this encouragement and with higher disposable incomes, farmers have been making numerous improvements in their homes—including heating facilities and better kitchens and baths. The home improvement service has also had considerable success in promoting better nutrition in rural areas.

All of these things add up to a more viable economy, a better social structure, and a better way of life for Japan's farmers.

Yet, despite gains in agricultural production, Japan still depends upon imports for some 20 percent of its food and fiber requirements. This deficit is not likely to be lessened, although Japanese authorities hope to keep it from growing through further gains in productivity. As the population increases, imports are likely to continue upward in quantity, if not in proportion to total consumption—provided the economy is able to sustain them. Imports of agricultural commodities from the United States alone have more than doubled since 1950, reaching $740 million in 1964 and still trending upward.

Below, farmer sprinkles tobacco seedlings insulated by rice straw before covering them with polyethylene. Bottom left, milk pickup station, where farm carts deliver milk from small farms not accessible by truck.



Outlook for continued progress

What of the future? Of one thing we can be sure—that Japan's industrious, proficient farmers will continue to make the very most of the resources they have. The government is strongly encouraging what it calls a "selective increase" in farm production, such as in livestock, fruits, and vegetables. Production of rice will be maintained, but that of other grains and oilseeds will probably show a downtrend. Overall agricultural production is not likely to make any major gain.

The biggest problem for Japan is the farming structure itself. The government would like to see fewer and larger farms, which would be capable of more efficiency and productivity for the labor involved. This is admittedly a long-range goal and so far there have been few results from the efforts in this direction. Some believe that a newer generation of farmers will be more adaptable to such a program. If so, this could be the next significant chapter in the Japanese agricultural story.

How Major U.S. Canned Fruits Have Been Faring on Foreign Markets

Over the long pull—the past 15 years—U.S. exports of canned fruit have brought in a steadily growing number of dollars. Most of the eight major U.S. fruits considerably increased their earnings; and the 5-year averages for the eight combined jumped from $20.5 million in 1950-54 to $65.3 million in 1960-64.

It should perhaps be pointed out that the 1960-64 period includes the peak year of 1962, when exports of peaches, fruit cocktail, pineapple, pears, grapefruit, apricots, cherries, and baby food (strained fruit) added up to a 77-million-dollar business. Though the totals for the next 2 years were smaller, they still far exceeded those for earlier years. Within them, however, are some individual items that could bear watching.

Changes in the 3 biggest fruit exports

By far the most important U.S. canned fruits shipped to foreign markets are peaches, fruit cocktail, and pineapple. Together they accounted for more than 90 percent of the dollars earned by these exports in 1964.

Peach exports dropped in 1964 for the second consecutive year, from 5.1 million cases to 4.7 million. Key factors in this reduction are said to have been higher prices early in 1964, plus increasing competition from South Africa and Australia for the important markets of Europe (especially West Germany and the United Kingdom).

Fruit cocktail shipments also declined in 1964, from 3.3 million cases to just under 3 million. Substantially higher per-unit U.S. prices seem to have discouraged U.S. sales in Canada and the United Kingdom that year. Where tariff preferences for Commonwealth products did not exist, however—as in West Germany, Belgium-Luxembourg, and the Netherlands—U.S. shipments increased.

Pineapple exports in 1964 moved up to nearly 2.5 million cases from 1.9 million the year before. Biggest and fastest growing market was West Germany.

Changes in exports of other fruits

Canned cherries (mainly tart) showed a striking increase in 1964, both over 1963 and over 1960. When the 5-year period began, cherries had the smallest volume among the eight; last year, they ranked fourth. Their upward trend partly reflected lower U.S. prices. Principal foreign markets have been Belgium-Luxembourg and West Germany.

Pear exports—mostly to Canada—and apricot exports both steadily decreased during the 5 years. Grapefruit traded places with cherries: No. 4 in volume among the eight in 1960, it fell to eighth, owing in part to the high domestic prices that followed the 1962-63 Florida freeze and to the U.K. quota restrictions. Baby food, however, increased its foreign marketings last year.

EXPORT EARNINGS OF 8 MAJOR U.S. CANNED FRUITS

Item	1960	1961	1962	1963	1964
	1,000 dol.	*1,000 dol.*	*1,000 dol.*	*1,000 dol.*	*1,000 dol.*
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Cherries	696	947	1,394	947	1,913
Baby food (fruit)	1,925	947	751	1,094	1,559
Pears	1,893	1,717	1,694	1,509	1,073
Apricots	1,553	2,221	1,556	1,449	1,057
Grapefruit	1,843	2,044	1,676	884	589
Total	54,701	60,721	76,999	66,765	68,203

Olive Oil Producing Countries Working To Stabilize Market

To reduce fluctuations in production, marketings, prices, and stocks of olive oil, member countries of the International Olive Oil Council (IOOC) have begun to exchange economic information and develop stabilizing measures. They hope to improve production methods, storage facilities, and stockpiling arrangements, as well as to develop a marketing plan that will encourage the Mediterranean Basin countries (the producers) to increase intra-Basin trade in olive oil.

Since it is currently estimated that 95 percent of the olive oil produced is consumed within these countries, the overall result of such actions would be to reduce the effects of the wide fluctuations caused by the "off year" and "on year" olive production cycle.

These measures were among the subjects discussed by the IOOC at its twelfth annual conference in Izmir, Turkey, in May this year. The meeting was attended by delegates from 15 nations that are signatories to the International Olive Oil Agreements, 16 observer countries (including the United States), and five international organizations.

The Council also proposed an exchange agreement whereby oil would be transferred from one country to another, whenever deemed necessary, in order to "regularize availabilities." Such an agreement could correct large surpluses and deficits, thereby preventing extreme price fluctuation and aiding the achievement of market stability.

In a discussion of the esterification of vegetable oils, it was reported that France, Morocco, and Tunisia now prohibit this practice, and that prohibitive legislation may be enacted in Italy, Spain, Turkey, and Portugal. Delegates from other member countries indicated that the esterification process was not used or was considered impractical or unprofitable in their countries. Several delegates suggested the need for an analytical method of detecting oils developed by this process.

Discussed, but without formal action, were such topics as an international guarantee label, the Standard International Contract, the Olive Oil Index File, and the regional plan for improving the production of olives in the Mediterranean Basin.

Future promotion of olive oil consumption was stressed, and the Council decided that in its market development activities it will give increased emphasis to the culinary characteristics of olive oil rather than use the traditional approach stressing health benefits.

In 1964-65, olive oil consumption was estimated to have increased in Spain and Turkey but declined in Italy. However, no significant change was registered in overall consumption by the producing countries.

LLOYD M. ADCOCK
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Even higher plateaus are distinct possibilities. Under Secretary of Agriculture John A. Schnittker said recently, "We are looking ahead—and not too far ahead—to yearly levels of $7 billion and then $8 billion."

"The fundamental world situation favors export expansion," Dr. Schnittker went on. "Populations are increasing rapidly. Increased prosperity, a natural result of economic growth, has brought stepped-up demand for better diets—which include more meat and other livestock products, more fats and oils, more fruits and vegetables. Today we are taking advantage of this inherently favorable world situation by intensifying our market development activities overseas as well as continuing to press for agricultural trade liberalization."

Dollar sales rising

Increased cash sales of U.S. agricultural products in foreign markets reflect these more aggressive merchandising efforts. Commercial sales for dollars have been expanding much more sharply than have shipments under government programs—primarily the Public Law 480 Food for Peace program. In terms of the 1955-58 average, sales for dollars have risen about 80 percent, whereas Food for Peace shipments have risen less than 20 percent (see table).

Major dollar markets continue to be Japan, the United Kingdom, Canada, and the six countries making up the European Economic Community—West Germany, France, Italy, the Netherlands, Belgium, and Luxembourg. In 1964 these nine countries accounted for 50 percent of total U.S. agricultural exports and almost 80 percent of the farm products sold for dollars.

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About a fourth of U.S. agricultural shipments go to less developed countries under the Public Law 480 Food for Peace program. Sales for foreign currencies are the most important segment of this program. But U.S. supplies also are granted to foreign governments, without charge, for the victims of earthquakes, floods, droughts, and other catastrophes, and substantial quantities are donated for use in child and refugee feeding and in works-project programs, where they serve as partial wages.

Still other food donations are made through U.S. voluntary relief agencies, including CARE, Catholic Relief Services, Church World Relief, Lutheran World Relief, and the United Nations Childrens Fund. A relatively new program authorizes sales for export under long-term supply and dollar credit arrangements.

Helped by Food for Peace

The United States has assisted over 100 countries through the Food for Peace program, the largest receivers including India, Pakistan, Yugoslavia, the United Arab Republic, and Brazil. Some countries, once Food for Peace recipients, are now important cash buyers. Among these are Spain, Italy, and Japan, the latter currently the largest overseas buyer of U.S. farm products.

The United States is by far the world's largest exporter of farm products. The output of 80 million acres of U.S. cropland moved abroad last year. That's equal to all the land harvested in 1964 in Indiana, Illinois, Wisconsin, Minnesota, and Iowa. The volume of food and fiber leaving the United States last year would have filled 1½ million freight cars and made three solid freight trains stretching across the country from San Francisco to New York City.

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Year ended June 30	Total agricultural exports	Commercial sales for dollars[1]		Sales under government programs[2]	
		Value	Percent of 1955-58 average	Value	Percent of 1955-58 average
	Million dollars	*Million dollars*	*Percent*	*Million dollars*	*Percent*
1955	3,144	2,278	92	866	64
1956	3,496	2,129	86	1,367	101
1957	4,728	2,771	112	1,957	144
1958	4,003	2,752	111	1,251	92
1959	3,719	2,465	99	1,254	92
1960	4,517	3,207	129	1,310	96
1961	4,946	3,374	136	1,572	116
1962	5,142	3,482	140	1,660	122
1963	5,078	3,536	142	1,542	113
1964	6,076	4,514	182	1,562	115
1965	6,096	(3)	(3)	(3)	(3)

[1] Commercial sales for dollars include unassisted commercial transactions and shipments of some commodities with governmental assistance in the form of (1) credits for relatively short periods; (2) sales of government-owned commodities at less than domestic market prices; and (3) export payments in cash or in kind. [2] Sales for foreign currency, barter, and donations primarily under authority of Public Law 480. [3] Detailed breakdown not yet available but will approximate 1964 levels.

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1962	5,142	[illegible]	[illegible]	1,660	122
1963	5,078	[illegible]	[illegible]	1,542	113
1964	6,076	[illegible]	[illegible]	1,562	115
1965	6,096	[illegible]	[illegible]	(3)	(3)

[1] Commercial sales for dollars include unassisted commercial transactions and shipments of some commodities with governmental assistance in the form of (1) credits for relatively short periods; (2) sales of government-owned commodities at less than domestic market prices; and (3) export payments in cash or in kind. [2] Sales for foreign currency, barter, and donations, primarily under authority of Public Law 480. [3] Detailed breakdown not yet available but will approximate 1964 levels.

A Report on U.S. Calf Shipments by Air to Europe

It has been slightly more than a year since the first veal calves ever exported by air from the United States made their pioneering flight in the baggage hold of a jetliner from Kennedy International Airport in New York to Milan, Italy.

During the intervening months this new form of transatlantic trade has had its ups and downs. It began with high hopes and a heavy volume of traffic on both scheduled and nonscheduled airlines. Exports reached a peak of 1,400 calves a week during the fall of 1964.

Impact of price changes

During the winter months, U.S. and European calf prices moved in opposite directions. The price of domestic calves in Italy dropped 8 percent from January to March, and has remained about steady since then. The French price dropped nearly as much. Price declines in other European calf exporting nations during the same period were even greater—17 percent in the Netherlands and 14 percent in Belgium—before gradually improving. Meanwhile, U.S. calf prices were climbing steadily.

For a time U.S. calf exports to Italy stopped completely, and flights were infrequent through May of this year. In late June, the trade began to pick up again.

U.S. and Italian observers and participants in the trade are hopeful that some of the problems that marked the 1964 program are near solution and that a strong level of exports will continue at times when the price relationship is favorable to U.S. shipments.

This new form of transatlantic trade had its origin in the shortage of veal that began to develop in Western Europe in early 1964.

Unable to get enough calves from its normal suppliers, the Netherlands and France, Italy turned toward the United States, then in an upward cycle of cattle production and a period of low prices. Several European importers came to this country to look into the possibilities of calf procurement, and the Foreign Agricultural Service, with responsibility for USDA beef export promotion, assigned specialists to cooperate with them.

Inexpensive cartons developed

It was obvious that air shipment would be necessary. The three major airlines flying between the U.S. and Italy—TWA, Pan American and Alitalia—were already working with two New York container manufacturers to develop an inexpensive calf carton for one-time use, thus eliminating the use of conventional livestock pens, which after a shipment must be disinfected, packaged, and flown back to the point of origin.

Two types of cartons were developed and submitted for approval to the USDA Animal Inspection and Quarantine Division's office at Kennedy Airport to undergo tests under the regulations for "humane handling of livestock." In ground tests, calves were kept in cartons for periods up to 18 hours—the longest possible time they might remain in flight.

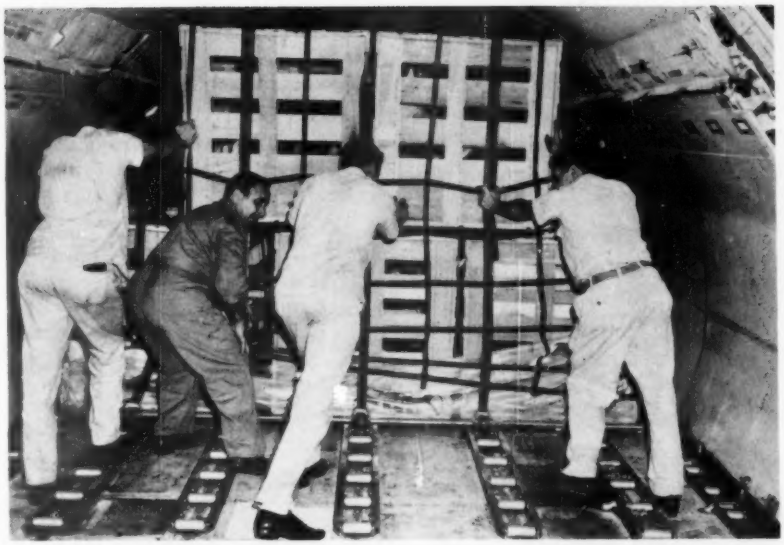
Initial shipment last July

The first trial shipment was made successfully in July 1964. Three 20-day-old Holsteins housed in cartons were flown nonstop from New York to Milan in the pressurized, heated baggage hold of a TWA jetliner.

Later a wood-slat, wire-bound crate was developed, and a test shipment for 60 calves was made aboard a jet freighter.

Because of the ease of handling this type of cargo, a special freight rate of 41 cents per pound was adopted by the International Air Transport Association and approved by the Civil Aeronautics Board. This was less than one-third the live animal rate that had previously been available for such shipments, which assumed that livestock shipped in airplanes would require pens and other special facilities.

Loading calves at Kennedy Airport



Right, a pallet bearing calf cartons is eased on rollers into fuselage of plane.

Below right, frisky calves are put into cartons for the flight across the Atlantic.

With the 41-cent freight rate, Italian importers estimated that they could land calves in Milan at 70 cents a pound or less, competitive with going prices for calves produced in Italy, or imported from other European countries.

In Italy, calves were to be placed on farms, fed on nonfat dry milk powder and slaughtered after about 3 months to produce the white-fleshed, milk-fed veal which many European consumers traditionally prefer to other meats.

In late August 1964, commercial shipments of crated calves in jet freighters began at the rate of approximately 500 head per week, with TWA, Pan American, and Alitalia participating. Calves were brought by truck from auctions in the New York area to Kennedy Airport, inspected by USDA veterinarians, crated by airline crews, and landed in Rome or Milan 12 to 16 hours later.

There was also at least one charter flight chiefly originating in Burlington, Vermont, but this aspect of the business failed to develop because of restrictions placed on the landing rights in Italy of nonscheduled carriers. The volume of shipments of crated calves continued to grow, however, and reached a peak of 1,400 a week in October 1964.

Only one in-flight death loss

At the start of the program, there had been skepticism about the ability of young calves to withstand such a rigorous air trip. These fears proved unfounded, and there was only one death loss in flight.

In September, however, reports began to filter back to the United States through trade channels of substantial death rates after calves were placed with Italian farmers for feeding. Although first reports of mortality ranging up to 50 percent of particular shipments proved to be exaggerated, it was apparent by October that excessive mortality was a problem.

USDA veterinarians immediately tightened their inspection at the airport to assure that all calves appeared strong and healthy. In the belief that many were being shipped at too early an age (some not more than 24 hours old), AIQ instructed its personnel to approve no more calves for export unless their navels had dried, indicating an age of 6 to 8 days.

Shipping regulations tightened

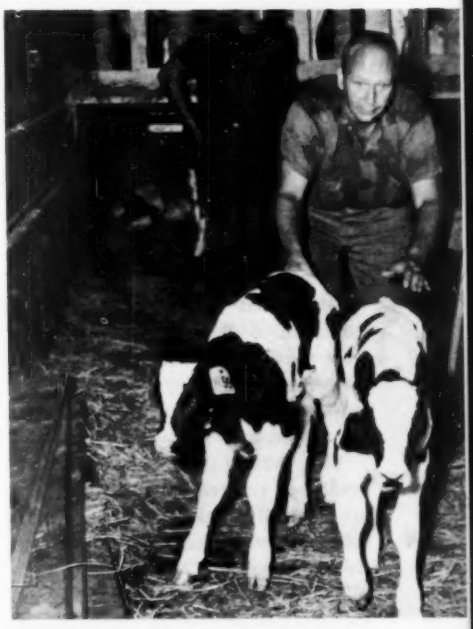
The International Air Transport Association began to enforce more closely the rule which requires both weight and cubage to be considered in computing transportation cost. This made it unfeasible to ship any calf weighing less than 90 pounds.

Italy, for its part, announced in January that it wished no more calves imported under 15 days old.

As a long-range solution to the mortality problem, USDA proposed that calves be held under observation at the port of embarkation in the United States under Federal veterinary supervision for 2 weeks after assembly for shipment. Objections were lodged to this proposal on the ground that the cost of facilities for such holding would be prohibitive in the absence of longterm sales contracts. The proposed waiting period regulation was not adopted.

Currently under consideration is an amendment to Federal export regulations proposed by USDA to make sure that calves are at least 10 days old and adequately fed and inspected within 8 hours of shipment.

By the end of 1964, nearly 8,000 calves had been airshipped to Italy. Detailed survivorship records have been received on 3,100 of those which were consigned to the Italian Federation of Farmers Cooperatives. Of these, 287 (or just over 9 percent) died within 8 days after arrival in Italy. Another 140 ultimately died, bringing mortality to 13 percent.



This loss rate needs to be improved if Italy and perhaps other European countries are to continue as profitable export outlets for the U.S. cattle industry.

In March, Dr. Claude Smith of USDA's Agricultural Research Service went to Italy to look into the

(Continued on page 16)

Left, Iraqis unload frozen U.S. poultry from ship's hold at port of Basra for transfer by truck (above) to coldstorage warehouse at dockside.

First U.S. Sale of Frozen Poultry to Iraq a Success

The response of Iraqi consumers to first shipments of frozen U.S. poultry —its quality maintained through expert servicing—may open a new market for the United States.

Distributed recently to 112 retail stores in Baghdad, the U.S. fryers were sold an hour after they were put on the counter. Demand quickly outstripped the supply from initial trial-size shipments.

This successful marketing of frozen poultry in an area where frozen foods are virtually unknown—and limited refrigeration facilities must cope with temperatures of 125°F—was the result of careful preliminary planning and supervision by Iraqi and U.S. Government and poultry industry officials.

Quality was a major consideration. Only grade A poultry was sent, individually wrapped in polyetheylene bags in wirebound crates. To avoid overloading storage and transport facilities, the original 90-ton order was sent in three 30-ton shipments, carefully spaced out over a 3-month period.

In Baghdad, Iraq Developments, Ltd. hired by the Iraqi government to handle domestic transport and retailing) surveyed retail outlets to find those equipped to sell frozen products. From Germany, Peter Pohl, an overseas representative of the U.S. poultry industry's International Trade Development Board, came on to work with Iraqi officials in unloading, warehousing, and preparations for shipment from the port of Basra inland to Baghdad.

The first shipment arrived in Basra in perfect condition after a 64-day voyage from Louisiana in a ship's hold whose temperatures had been maintained at 0°F. It took approximately 5 hours to transfer the 30-ton shipment to the coldstorage warehouse in covered, unrefrigerated trucks. The ammonia-type refrigeration of the 100-ton capacity chamber was supplemented by blocks of ice brought in from Baghdad.

The ice was later used in the closed metal containers mounted on narrow-gage flatcars into which 5 tons of chicken were loaded weekly for the 24-hour trip to Baghdad.

Rail freight was chosen for the 350-mile trip because the nonrefrigerated trucks and plane transport available would not have kept the perishable chicken frozen from Basra to the inland city. Although one of the two highways connecting Basra and Baghdad can accommodate trucks of more than 8 tons, the only refrigerated trucks making the run carrying fruit and vegetables from Syria, Lebanon, and Jordan to Kuwait via Basra and Baghdad do not have trading rights in Iraq and cannot be used to transport goods between the two Iraqi cities. Irregular flight schedules make airfreight impractical for poultry transport on a regular basis.

These factors will assume increasing importance as the market for all types of frozen food in Iraq begins to grow as anticipated. To eliminate problems in handling larger, more frequent frozen food imports, Iraqis may decide to equip the Russian-type standard-gage railroad now under construction with van-containers 20 by 8 by 8 feet having built-in refrigeration units to be permanently mounted on flatcars. Although the Basra port facilities are excellent by any standards, some tractors, bogies, and smaller type refrigerated trucks would also add to the efficient handling of frozen goods.

The potential for frozen poultry sales in Iraq is good. Although Iraqis are almost entirely unfamiliar with the frozen product, freshly slaughtered chicken is very popular, with sales limited only because the short supply of poultry puts prices beyond the reach of many. The government operates several poultry farms, mostly for eggs and limited broiler production, and supplies virtually all the poultry sold in Iraq. A small quantity is frozen. (This is semieviscerated, in polybags, and sold at the same price as fresh.) The local birds are of good flavor, but

(Continued on page 16)

U.S. Official Outlines Role of Market Promotion And P.L. 480 in U.S. Soybean's Record Sales

It would be hard to over emphasize the importance of market development. When the history of this period is finally written, I think that economists will say, "The United States, at long last, took a positive approach to foreign agricultural trade and found—somewhat to its surprise—that market development paid off in the form of increased dollar sales."

There was a time when we waited for customers to come to us. All too often, however, they didn't come. We were left holding huge inventories of farm products whose quality fell as storage costs rose.

I won't detail all of our overseas development activities. We make wide use of trade fairs, advertising, demonstrations, samples, technical assistance, trade-sponsored visits of foreign buyers to the United States, and many other development and promotion techniques. The Soybean Council of America and the American Soybean Association have been very active in development work. The National Soybean Processors Association has given solid support to the overall effort to expand foreign markets for soybeans, soybean oil, and meal.

Sales effort pays

I don't know how much market development work has added to export volume. But I think that, as sensible businessmen who have learned how to appraise cause and effect, you know that positive sales effort is always necessary. This is true even of "hot" export items such as soybeans and soya products. I have heard it said that these items "sell themselves." So they do—to some extent. Any item does—to some extent. But a good item, merchandised vigorously and intelligently, can set alltime records. "Record" is a word that has become commonplace in connection with soybeans and products.

Soybeans and products have become the No. 1 dollar earner for the United States in agricultural export markets. And soybeans have become America's No. 3 source of cash farm income.

But there's more to market development than beating the foreign bushes for sales.

Market development means a revision of old attitudes. It means selling wheat where rice is the main cereal. It may mean reappraising old markets as well as opening new ones. The formula for market development is competitive pricing and aggressive promotion. Increasingly, we have both in the United States.

P.L 480—aid to economic growth

Market development is inherent in our program to help needy people in the less developed countries.

All Americans can be proud of the fact that from 1954 through 1964 we shipped $15 billion worth of farm products to needy people under our Public Law 480-Food for Peace program. Never before has the world seen a food assistance program of this size and importance.

The primary object has been to relieve human want. At the same time, food has helped to promote economic growth which creates a favorable climate for commercial sales of farm products. We saw that happen after World War II when massive aid to Western Europe and Japan, plus the native energy and genius of the people, put them back on their feet. That aid is directly related to the fact that in the fiscal year 1964 Europe and Japan bought—for cash—U.S. farm products valued at $3.2 billion, or 70 percent of the total $4.5 billion worth we sold for dollars.

Trend to commercial sales

This process is still going on, but it is slower in other areas. A number of countries once in the category of "less developed" have reached the point of economic takeoff. Others are approaching it. Altogether it's a situation favorable to increased commercial exports.

Soybean oil has been one of the key foods moved to the less developed countries under the Food for Peace program. The Food for Peace total over the 1954-65 period is about 6 billion pounds. The program volume in 1964-65 alone was near 800 million pounds, which is equivalent to over 60 percent of our total soybean oil exports.

It is important that these exports be maintained in the years that are immediately ahead.

First and foremost, vegetable oils are a valuable and necessary food for the needy people of Asia, Africa, and Latin America. Food needs in those areas are at an alltime high, and will increase as populations increase. Food needs in themselves are ample justification for maintaining the flow of oils to hungry people.

Need for oil exports

There is also to be considered the important relationship between soybean oil and soybean meal production. I hardly need to tell you that if the processing industry is to meet the meal requirements of livestock producers in this country—and cash-paying customers in Western Europe and other industrialized countries—the flow of oil to useful outlets must continue in substantial volume.

Finally, "program" oil has a way of becoming "dollar" oil. Spain is the example, of course, of shifting from the status of P.L. 480 recipient to its role today as our largest cash buyer of oil. Iran has made the same transition. Other countries may well be on their way to becoming cash buyers.

Future export possibilities for U.S. oilseed and oilseed products remain good and we see continued growth for the years ahead.

One-billion-bushel year ahead

Domestic and export markets can absorb the expected record crop this year. They can absorb larger crops in the future. A "one-billion-bushel year" is just around the corner. When we reach it is not just a matter of chance.

There are disturbing developments in the world which can delay our export progress. A new agricultural protectionism has sprung up under the guise of trade liberalization. Actions by the EEC on poultry and in the Kennedy Round leave little optimism for liberalization there in this decade.

But protectionism can only delay the expansion of trade—it cannot stop trade for long. The people of the world want to improve their standard of living, and they will do it. That inevitably means increased demands for food and fiber and more trade.

Excerpts from a speech by Under Secretary of Agriculture John A. Schnittker at the Annual Meeting of the National Soybean Processors Association earlier this month.

EEC Grants Tropical Products Funds

The Commission of the European Economic Community on July 28 approved the equivalent of $24,154,000 in grants for projects in associated countries and territories. This action constituted final approval for projects previously approved by the European Development Fund (EDF) Committee. A total of $161,485,000 has now been committed, against the $730,000,000 equivalent promised by the EDF for the 5-year period beginning June 1, 1964.

Notable among the recently approved projects are price support programs in the Malagasy Republic, $4,180,000, and in Togo, $248,000. These export subsidies, which will enable exports of certain tropical products (coffee, pepper, rice, cotton, peanuts, palm oil) to be marketed at world prices, are the equivalent of budget support and are a new feature in the use of the EDF.

Soft Fiber Imports Down in January-June 1965

U.S. imports of soft vegetable fibers other than cotton—principally raw jute—in January-June 1965 totaled 28,870 long tons valued at $6.5 million, or 46 percent and 17 percent, respectively, below the volume and dollar value of imports during the first half of 1964.

The comparatively smaller percentage decrease in the value of imports was due mainly to a 60-percent rise in the unit values for jute. Pakistan continued as the major supplier of jute in the first half of 1965, with 17,366 tons, followed by Thailand, with 6,920.

Imports of flax fiber during January-June 1965, mostly from the Benelux countries, were up 30 percent from January-June 1964, while imports of sunn fiber, practically all from India, were up 16 percent.

U.S. imports of specified soft fibers during July-June 1964-65 (with comparable 1963-64 volumes in parentheses) were jute and jute butts, 47,603 tons (83,909); flax, 2,541 (2,060); sunn, 1,133 (1,169); hemp, 28 (54); and ramie, 2 tons (1).

U.S. IMPORTS OF SPECIFIED SOFT VEGETABLE FIBERS

Soft fibers	1963	1964	January-June 1964	January-June 1965[1]
	Long tons	*Long tons*	*Long tons*	*Long tons*
Jute and jute butts	77,307	72,972	51,643	26,274
Flax, all classes[2]	2,191	2,194	1,154	1,501
Sunn	1,267	985	918	1,066
Hemp	34	50	49	27
Ramie	0	0	0	2
Total	80,799	76,201	53,764	28,870

[1] Preliminary. [2] Excludes flax straw.

Mexican Bee-Growers' Association Established

A new bee-growers' association, Union Nacional de Apicultores, was established on June 2, 1965, in Mexico. The association includes, and consolidates, beekeeping associations which were already in existence in Tuxtla Gutierrez, State of Chiapas; Morelia, State of Michoacan; Tepeaca and Tecali, State of Puebla.

The announced purpose of the new association is to consolidate and strengthen present local associations. It has the broad objective of increasing honey production on a planned, technical basis so that larger quantities will be available for domestic consumption and exports.

The level of Mexican honey production has changed little in the past 4 years. A modest general increase looks probable for future production.

South Africa Produces Record Cotton Crop

Cotton production in the Republic of South Africa in 1964-65 (August-July) is estimated at a record 75,000 bales (480 lb. net), 60 percent above production of 47,000 in 1963-64 and more than twice as large as annual average production of 36,000 bales in the past five seasons. These estimates include small quantities produced in Swaziland.

The increased production is primarily attributed to increased acreage in the Transvaal. More than half of the 1964-65 crop was grown under irrigation. The older established area for irrigated cotton is along the Orange River, although some new irrigated areas are being developed in the Transvaal and Natal.

Cotton consumption in the Republic of South Africa, continuing the uptrend of recent years, reached a record 160,000 bales in 1964-65. This is an increase of 19 percent over the 1963-64 consumption of 135,000 bales. Total imports in 1964-65 are expected to reach about 100,000 bales, with around 50,000 coming from the United States, the largest supplier; the second largest supplier is Brazil.

Annual production capacity of South Africa's cotton textile mills is about 100 million pounds of yarn and 250 million of cloth. At present, mills are operating near capacity. Several new spinning mills are now under construction.

South Africa has exported around 5,000 bales of cotton annually in recent years. These exports have been comprised of upland type cotton stapling 1-5/32 inches to 1-1/4 inches in length.

The average minimum price to growers for the 1964-65 crop was slightly above that of a year ago. The average price for M 1-1/16 equivalent cotton was about 30.42 U.S. cents per pound of lint.

Japan To Buy More Thai Corn

Japan continues as the largest single market for Thailand's corn. The sale of 800,000 long tons of 1965-crop Thai corn to Japan—100,000 tons more than last year—has now been officially confirmed.

Nearly one-half of the corn will be delivered in 1965: 30,000 tons in September, 60,000 tons in October, 130,000 tons in November, and 140,000 tons in December. The remaining 440,000 tons will be delivered next year. The corn is to be shipped in sacks of 100 kilograms net weight each (220.5 lb.)

The price of corn for September and October deliveries has been set at $58.80 f.o.b. per long ton. Freight from Bangkok to Japan is in the range of $5.60 to $7.00 per ton. Prices for later shipments will be set within two

months of the scheduled delivery date. The future price of Thai corn under the sales contract will be based on the cost of U.S. corn sold to Japan. Also, Japan has agreed to pay for corn purchases in U.S. dollars this year instead of pounds sterling as in the past.

Greek Raisin Support Prices Higher

The Greek Government has set the 1965 "security prices"—the prices paid to growers for their dried currants and sultanas—at levels 1½ cents per pound higher than in 1964.

The 1965 support prices and the comparable 1964 prices are as follows, converted to U.S. cents per pound:

	1965	1964
Sultanas:		
Grade:		
No. 1	15.9	14.4
No. 2	15.4	13.9
No. 4	15.1	13.6
No. 5	14.6	13.2
Currants:		
Region:		
Aegialia	14.9	13.5
Corinthia	14.4	12.9
Patras and Ionian Island	14.2	12.7
Amalias and Tryfilia	14.0	12.6
Other Elyia and Pylia	13.9	12.4
Other Messinia	13.7	12.2

For currants, these are regional averages, and the Autonomous Currant Organization (ASO) is authorized to set prices by grades for each region that will result in the above indicated averages.

The Ministry of Agriculture has forecast the 1965 sultana crop at 91,000 short tons compared with 74,800 in 1964 and the dried currant crop at 91,000 tons as against 84,200 in 1964.

Australia Imports Less Safflower Oil

Australian imports of safflower oil during the fiscal year ended June 3, 1965, were 3,519 short tons—down sharply from the 5,610 tons imported in 1963-64. Of the 1964-65 total, 3,482 tons were from the United States compared with 4,937 a year ago.

The decline in imports of safflower oil was due in part to an increase in domestic production of that commodity and in part to a rise in linseed oil output. Many industrial users, notably the paint and varnish industry, substituted, in part, lower priced soybean and linseed oils for safflower oil, possibly reflecting changes in price relationships between these oils. The average price per short ton of safflower oil imported in 1964-65 was $313 per short ton, or 8 percent above the $290 per short ton averaged for 1963-64.

This increased domestic production of safflower and linseed oils, however, did not cause a decline in soybean oil imports. Australian imports of soybean oil in 1964-65 exceeded 4,500 short tons, 3,704 of which came from the United States. Total soybean oil imports in 1963-64 were virtually the same, with 3,436 tons from the United States.

Italian Olive Oil Outturn To Decline

Italy's production of pressure olive oil from 1965-crop olives is unofficially forecast at 385,000 short tons compared with 320,000 in 1964-65 and 593,000 in 1963-64. Sulfur oil production in 1965-66 may approximate 55,000 tons against 41,000 in 1964-65.

Because of a rather cold wet spring throughout Italy, foliation was delayed. This together with a drought in late June and July, particularly in southern Italy, is expected to result in an outturn somewhat below the annual average outturn of 422,000 tons produced in the last four seasons, 1961-62/1964-65.

The Italian Government is encouraging the use of chemical sprays to control the olive fly, thereby reducing costs of olive oil production. To further reduce costs, the government has offered a price of 50 million lire for the invention of a harvesting machine which would significantly reduce costs. Olive harvesting is now estimated to account for about one-half of production costs.

Nigeria's Peanut Purchases As of July 29

Peanut purchases from Nigeria's 1964 peanut crop totaled 676,797 long tons, shelled basis, as of July 29, according to declarations of the licensed buying agents for the Northern Region Marketing Board. This is 14 percent less than the 786,727 tons purchased as of the comparable period last year. The latter figure also represents total purchases for the entire 1963-64 season from the 1963 crop.

Rail shipments to port by July 29 were 150,913 tons compared with 338,225 a year earlier, and truck shipments were 110,463 tons against 89,752.

Deliveries to the crushers by that date, at 179,383 tons, were up one-fifth from 148,615 ton, last year. Stocks on hand are reported at 236,034 tons compared with 313,479 a year earlier.

French Rapeseed Exports Expand

During January-June of this year France exported 52,114 tons of rapeseed against 35,901 in the comparable period of 1964. Major destinations were Algeria, Italy, and West Germany.

French exports of rapeseed oil in the first half of 1965, at 11,425 tons, were more than double those in the same period of last year. The oil moved largely to Algeria and the Netherlands.

The rise in exports reflects a marked expansion in French rapeseed production. Seedings in 1964, at about 300,000 acres were up by more than one-half from the preivous year. Acreage for the 1965 crop rose sharply, to more than 400,000 acres. Yields will, however, be significantly below those in 1963 and 1964, reflecting unfavorable growing conditions.

West Germany's Imports of Oilseeds and Oils

Imports of oil-bearing materials into West Germany during January-June 1965 declined by 6 percent from those in the comparable period in 1964 yet remained 12 percent above those in the first 6 months of 1963. Imports of vegetable and marine fats and oils increased by 3 percent from the first half of 1964 and by 10 percent from the comparable period in 1963.

Reduced takings of soybeans from the United States and copra from the Philippines accounted for the bulk of the decline in imports of oil-bearing material. During January-June soybean imports from the United States accounted for 20.8 million bushels of the 21.9-million total against

24.4 million of the 24.7 million taken in the same period of 1964. These reductions were partly offset by heavier takings of rapeseed from Canada, Sweden, and France and of peanuts from the Sudan.

There were only minor changes in West Germany's fats and oils imports during the first half of 1965. Imports of cottonseed oil from the United States increased, as did those of linseed oil from Argentina. Somewhat offsetting these gains were declines in imports of palm oil from the Congo (Leopoldville), whale and sperm oil from Japan, and fish oil from the United States.

WEST GERMAN IMPORTS OF SELECTED FATS, OILS, AND OIL-BEARING MATERIALS

Item	1962	1963	1964[1]	January-June	
				1964	1965
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
Cottonseed	23,296	26,706	563	562	6,720
Peanuts[2]	108,543	27,000	45,998	30,057	39,662
Soybeans	1,067,614	1,086,186	1,404,613	672,743	597,066
Sunflowerseed	20,634	30,988	29,181	8,362	10,117
Rapeseed	31,197	45,337	32,189	1,853	47,208
Copra	232,646	241,099	278,945	157,275	113,637
Palm kernels	124,091	129,425	131,125	63,683	54,780
Flaxseed	11,576	20,732	41,544	5,750	13,600
Castorbeans	26,678	24,432	32,916	18,353	18,714
Total	1,646,275	1,631,905	1,997,074	958,638	981,504
Cottonseed oil	44,582	63,486	73,687	40,584	50,475
Peanut oil	28,513	47,326	42,111	20,957	20,296
Soybean oil	1,593	18,584	12,550	5,117	4,343
Sunflowerseed oil	44,377	51,394	56,974	25,327	26,488
Coconut oil	33,410	41,929	47,563	26,452	25,925
Palm kernel oil	16,326	16,608	13,334	6,186	7,185
Palm oil	78,988	92,587	110,969	59,311	51,767
Linseed oil	80,405	72,502	68,173	28,279	38,835
Whale & sperm oil	59,044	64,622	50,874	34,979	32,563
Fish oil[3]	64,816	66,673	66,101	39,262	37,644
Total	452,054	535,711	542,336	286,454	295,521

[1] Preliminary. [2] Shelled basis. [3] Excludes liver oil.

Turkish Olive Oil Outturn Estimated

The prospective Turkish outturn of edible olive oil from olives to be harvested in 1965 is unofficially estimated at 83,000 short tons compared with 110,000 tons from last year's crop and the previous off-year's outturn of 72,000 tons in 1963-64. Turkish Government sources currently place the crop at between 77,000 and 88,000 short tons. Weather conditions have been reported as satisfactory.

Annual production in the last four seasons, 1961-62 through 1964-65, averaged about 86,000 tons.

Netherlands Oilseed Acreage Declines

Seedings of the major oilseed crops in the Netherlands this year are expected to decline to about 64,180 acres from 84,700 last year and 75,500 in 1963.

The decline reflects a reduction in seedings of flax to 53,730 acres from 75,739 in 1964. Seedings of rapeseed, however, increased to 10,450 acres from 8,960.

Production of the major oilseed crops for 1964 with 1963 data in parentheses are flaxseed 1,397,000 bushels (906,000) and rapeseed 10,300 short tons (11,000).

Philippine Exports of Copra and Coconut Oil

Registered exports of copra and coconut oil from the Philippine Republic during January-July 1965, oil-equivalent basis, totaled 359,175 long tons, 4 percent below the 375,897 tons exported in the first 7 months last year.

July shipments of copra as such were 56,373 tons compared with 73,640 in June. The January-July total was 4 percent less than last year's.

Coconut oil exports in July were 18,940 tons compared with 10,788 in June. Shipments through July were down 5 percent from the comparable period of 1964.

PHILIPPINE REGISTERED EXPORTS OF COPRA AND COCONUT OIL

Country or continent of destination	1964[1]	January-July	
		1964[1]	1965[1]
Copra:	*Long tons*	*Long tons*	*Long tons*
United States	231,215	112,001	140,226
Europe	518,988	263,563	216,417
South America	26,800	2,500	5,000
Japan	29,880	12,800	11,500
Other Asia	500	500	500
Middle East	140	140	1,500
Total	807,523	391,504	375,143
Coconut oil:			
United States	182,736	112,628	97,428
Europe	41,286	11,863	21,655
South Africa	2,251	843	---
Japan	99	---	---
Total	226,372	125,334	119,083

[1] Preliminary.
Associated Steamship Lines, Inc., Manila.

The copra export price in mid-August was US$190 per short ton c.i.f. Pacific Coast and US$214 per long ton c.i.f. Europe. Local buying prices were reported at 60.61 pesos (US$15.50) per 100 kilograms resecada basis Manila and 54.60 pesos (US$13.96) in producing areas.

French Imports of Olive Oil Decline

Total imports of olive oil into France in January-June 1965 declined to 7,915 short tons from 15,967 in the same period of 1964. The decline reflects sharply reduced takings from France's major supplier, Tunisia (6,506 tons in the 1965 period against 13,931 in the first half of 1964), as well as a smaller volume from Spain. This decline probably results from the significantly higher prices that have prevailed this year in world markets becauseof reduced availabilities.

France's Butter Exports Smaller

France's exports of butter during the first 5 months of 1965 totaled 17 million pounds, less than half of those in the comparable 1964 period. Butter exports, particularly during the first 3 months of 1965, were purposely discouraged by the French Government, as export subsidies were sharply reduced. This was a continuation of government policy adopted in late 1964 to cope with reduced milk production, the low stock of dairy products, the milk delivery strike, and the resulting higher prices.

Sales to all the more important markets during the first 5 months were greatly reduced. The United Kingdom took only 800,000 pounds compared with 9 million a year ago. Shipments to Morocco declined to 703,000 pounds from 3 million. Italy's purchases of 4 million pounds and Algeria's of 2 million were each down by 3 million. Sales to most other markets were also smaller than in the same period of 1964.

Imports of butter rose to 25 million pounds from only 0.3 million in 1964. The two principal suppliers were the United States with 17 million pounds, almost all of which was imported during the first 3 months of 1965,

and West Germany with 5 million. The major portion of these imports was purchased by the Dairy Price Intervention Agency (Interlait) for the account of FORMA (the Agricultural Orientation and Reorganization Fund). As FORMA now considers the present level of butter stocks satisfactory, a continuation of large imports during the next few months is not likely.

Rhodesian Growers Vote Against Tobacco Controls

Rhodesian flue-cured tobacco growers rejected legislative control of future production of that kind of tobacco in a referendum held in early July. The vote against controls, however, was in effect an acceptance of the guidance of the Rhodesian Tobacco Association (RTA) in establishing goals for future crops.

Recently, the RTA announced a goal of about 280 million pounds of flue-cured for harvest in the early months of 1966. This compares with an estimated figure of about 230 million produced in Rhodesia in 1965.

U.S. Tobacco Exports Down

U.S. exports of unmanufactured tobacco in fiscal 1965 totaled 479.9 million pounds (export weight), down 9.8 percent from the 532.1 million shipped out in fiscal 1964. Export value in fiscal 1965 was $395.3 million, compared with the record value of $420.7 million in fiscal 1964.

Preliminary data indicate that 368.7 million pounds of flue-cured tobacco (export weight) were exported in fiscal 1965—a 12.8-percent drop from the 422.9 million shipped out in the previous fiscal year. This drop more than offset gains in exports of burley, dark-fired Kentucky-Tennessee, and Virginia fire-cured.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO

[Export weight]

Kind	Quantity		Percent change	Value	
	Fiscal 1964	Fiscal 1965[1]		Fiscal 1964	Fiscal 1965[1]
	1,000 pounds	*1,000 pounds*	*Percent*	*1,000 dollars*	*1,000 dollars*
Flue-cured	422,854	368,661	−12.8	344,675	312,469
Burley	45,983	47,081	+ 2.4	36,390	37,132
Dark-fired Ky.-Tenn.	16,315	18,756	+15.0	8,373	9,760
Va. fire-cured[2]	4,780	4,824	+ .9	3,152	3,448
Maryland	11,627	10,405	−10.5	8,688	8,223
Green River	774	1,190	+53.7	402	625
One-Sucker	396	670	+69.2	198	336
Black Fat	3,394	3,829	+12.8	2,977	3,439
Cigar wrapper	5,648	3,843	−32.0	12,383	11,668
Cigar binder	1,362	2,147	+57.6	1,141	2,000
Cigar filler	495	610	+23.2	237	337
Other	18,503	17,889	− 3.3	2,132	5,834
Total	532,131	479,905	− 9.8	420,748	395,271

[1] Preliminary; subject to revision. [2] Includes sun-cured.
Bureau of the Census.

Jamaica's Trade in Leaf Tobacco Increases

Jamaica's imports of unmanufactured tobacco during 1964 set a record of 2.2 million pounds, compared with the previous 1963 high of 2.1 million. Larger imports from the United States, Rhodesia, Zambia, and Malawi (formerly the Federation of Rhodesia and Nyasaland) more than offset continued reduced takings from Canada.

Imports from the United States last year were at a record 1.1 million pounds, compared with 1.0 million in 1963 and 0.6 million in 1962. Takings from Rhodesia, Zambia, and Malawi rose to 686,000 pounds from 525,000 in 1963, while imports from Canada dropped to 146,000 pounds from 386,000 for the previous year.

Average prices paid to major suppliers in 1964 (in terms of U.S. cents per pound) were the United States 97.3; Rhodesia, Zambia, and Malawi 71.8; and Canada 84.1. The average price paid for all imports was equivalent to US$1.07, compared with 93.9 cents in 1963 and 79.8 cents in 1962.

Jamaica's exports of unmanufactured tobacco last year, at 635,000 pounds, were almost 40 percent larger than the 1963 figure of 458,000 but only slightly above the 632,000 for 1962. Larger shipments to the United Kingdom and the United States accounted for most of the increase.

Exports to the United Kingdom rose to 331,000 pounds from 292,000 in 1963, and those to the United States, at 233,000 pounds, were nearly 50 percent larger than the 1963 figure of 160,000. Average 1964 export prices paid for Jamaican leaf tobacco—mainly cigar tobaccos—by these two principal markets were the United Kingdom, 82.7 U.S. cents per pound; and the United States, 130.4. The average export price of all shipments last year was equivalent to US$1.00 per pound, compared with 75.8 cents in 1963 and 50.9 cents in 1962.

Chile's Cigarette Output Up

Cigarette output in Chile during 1964 totaled 6,438 million pieces—up 1.9 percent from the 6,315 million produced in 1963 but still 3.8 percent below the 1962 high of 6,693 million.

Consumer demand for filter-tipped brands continued to grow; these probably represented 15 percent of total sales, against 11.1 percent in 1963 and 7.3 percent in 1962.

WORLD CROPS AND MARKETS INDEX

Cotton
12 South Africa Produces Record Cotton Crop

Dairy and Poultry Products
14 France's Butter Exports Smaller

Fats, Oilseeds, and Oils
13 Australia Imports Less Safflower Oil
13 Italian Olive Oil Outturn To Decline
13 Nigeria's Peanut Purchases As of July 29
13 French Rapeseed Exports Expand
13 West Germany's Imports of Oilseeds and Oils
14 Turkish Olive Oil Outturn Estimated
14 Netherlands Oilseed Acreage Declines
14 Philippine Exports of Copra and Coconut Oil
14 French Imports of Olive Oil Decline

Fruits, Vegetables, and Nuts
13 Greek Raisin Support Prices Higher

Grains, Feeds, Pulses, and Seeds
12 Japan To Buy More Thai Corn

Sugar, Fibers, and Tropical Products
12 EEC Grants Tropical Products Funds
12 Soft Fiber Imports Down in January-June 1965
12 Mexican Bee Growers' Association Established

Tobacco
15 Rhodesian Growers Vote Against Tobacco Controls
15 U.S. Tobacco Exports Down
15 Jamaica's Trade in Leaf Tobacco Increases

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Report on U.S. Calf Sales to Europe

(Continued from page 9)

management of the calves on their arrival in Italy and see what could be done on that side of the Atlantic to improve the survivorship record.

There he became convinced that more calves would have survived if fed more promptly on their arrival in Italy. Some, he found, were not fed at all for many hours after arrival and some received only honey and water in the belief that light feeding would help with recovery from the flight. USDA specialists are now preparing a booklet for distribution in Italy specifically dealing with the feeding and management of baby calves for veal. The text will also be translated into languages of other countries where calves are sold.

The Department is also continuing its studies on crates and containers for the transportation of calves and all other classes of livestock to help assure that the animals reach their destination in the best possible condition.

Different feeding practices

Dr. Smith, who has probably given more attention to the animal health aspects of this problem than any other person, sums the situation up this way:

"There is an essential difference in the handling of veal calves in Europe and the United States. European farmers who intend to export their calves start them early on hand-feeding and move them directly from the farm to an air terminal without the use of a stockyard or auction. After a short flight, these calves arrive in relatively good condition in the receiving country and survivorship is not much of a problem.

"U.S. dairy calves, on the other hand, are normally regarded chiefly as by-products of the dairy operation. Since they are intended for almost immediate slaughter, they often are grouped for sale and go without feed for long periods after leaving the farm. When this is followed by the flight to Europe with its rapid time change and then by a further period without food, it can be a traumatic experience for a young calf. Another result could be a condition which we call, for want of a better name 'shipping fever,' and it can be fatal."

The problem is to correct these conditions without running costs up to a point which takes the profit out of this potentially valuable trade. It is a problem to which USDA and the trade are giving continuing attention.

The use of trade names in this article does not imply approval, or constitute an endorsement, by USDA.

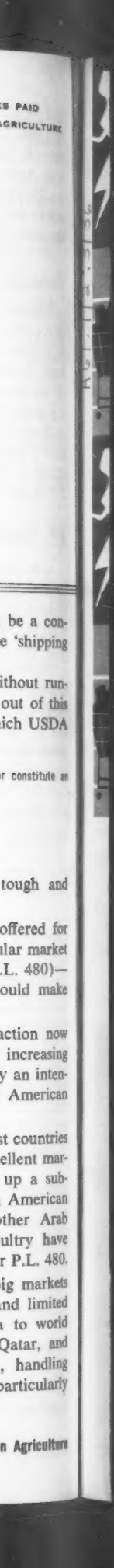
First U.S. Poultry Sales to Iraq

(Continued from page 10)

are heavy-boned and the meat is somewhat tough and stringy.

The top quality of the frozen U.S. poultry offered for sale—plus a sales price 20 percent under the regular market price (made possible by duty-free entry under P.L. 480)—proved that such poultry similarly marketed could make its way easily in this new market.

The U.S. poultry industry is swinging into action now in Iraq with point-of-sale promotion aimed at increasing chicken consumption; it will soon be followed by an intensive advertising campaign to popularize frozen American poultry.

U.S. poultry has been going to other Near East countries for some time. Up to 1962 Lebanon was an excellent market for our chickens, but has since then built up a substantial poultry industry of its own (mostly with American breeding stock) and even exports some to other Arab countries. Large quantities of U.S. frozen poultry have been exported to the United Arab Republic under P.L. 480.

The Arabian Gulf region offers potentially big markets for U.S. poultry because lack of fresh water and limited food production have turned this oil-rich area to world trade for most of its food. Kuwait, Bahrain, Qatar, and Saudi Arabian cities have ample cold-storage, handling facilities, and freezer-equipped stores, and are particularly attractive to U.S. poultry exporters.